

ARTICLE VI

CONTRACTUAL PROVISIONS

1. If either Party determines that contracting is necessary to fulfill that Party's obligations under the scope of work of a Project Annex of this Agreement, that Party shall Contract in accordance with its national laws, regulations, policies and procedures.
2. When one Party individually contracts to undertake a task under a Project Annex to this Agreement, it shall be solely responsible for its own contracting, and the other Party shall not be subject to any liability arising from such Contracts without its written agreement.
3. For all contracting activities performed by either Party, the POs shall be provided a copy of all statements of work prior to the development of solicitations to ensure that they are consistent with the provisions of this Agreement and the applicable Annex.
4. Each Party's contracting agency shall negotiate to obtain the rights to use and disclose Project Information required by ARTICLE VIII (Disclosure and Use of Project Information). Each Party's contracting agency shall insert into its prospective Contracts (and require its subcontractors to insert in subcontracts) suitable provisions to satisfy the requirements of ARTICLE VIII (Disclosure and Use of Project Information), ARTICLE IX (Controlled Information), ARTICLE XI (Security), ARTICLE XII (Third Party Sales and Transfers), and ARTICLE XVII (General Provisions) including suitable provisions to ensure compliance with the Parties' respective export control laws and regulations. During the contracting process, each Party's contracting officer shall advise prospective Contractors of their obligation to immediately notify the contracting agency before Contract award if they are subject to any license or agreement that will restrict that Party's freedom to disclose information or permit its use. The contracting officer will also advise Prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that shall result in restrictions.
5. The transfer of export-controlled information furnished by one Party will be authorized by the Government of the furnishing Party only to those Contractors of the other Party who will limit the end use of the information received for the sole purpose of furthering the purposes authorized under this Agreement. The Parties will establish legal arrangements with their contractors to ensure that their Contractors do not retransfer or otherwise use export-controlled information for any purpose other than the purposes authorized under this Agreement. Such legal arrangements will also provide that the Contractor will not retransfer the export-controlled information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the information to the purposes authorized under this Agreement.
6. The transfer of export-controlled information furnished by one Party will be authorized by the Government of the furnishing Party only to those Prospective Contractors of the other Party who will limit the end use of the information received

for the sole purpose of responding to a solicitation issued by the other Party in furtherance of the purposes authorized under the Agreement. The Parties will establish legal arrangements with their prospective Contractors to ensure that their Prospective Contractors do not retransfer or otherwise use export-controlled information for any purpose other than responding to the solicitation. Prospective Contractors will not be authorized any other end use if they are not awarded a Contract. Such legal arrangements will also provide that the Prospective Contractors will not retransfer the export-controlled information to prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled information for the purpose of responding to the solicitation.

7. In the event a Party's contracting agency is unable to secure adequate rights to use and disclose Project Information as required by ARTICLE VIII (Disclosure and Use of Project Information), or is notified by contractors or potential Contractors of any restrictions on the disclosure and use of information, that Party's PO shall notify the other Party's PO of the restrictions.
8. Each Party's PO shall promptly advise the other Party's PO of any cost growth, schedule delay, or performance problems of any Contractor for which its contracting agency is responsible.

ARTICLE VII
PROJECT EQUIPMENT

1. Each Party may provide Project Equipment identified as being necessary for executing a Project to the other Party. Project Equipment shall remain the property of the providing Party. A list of all Project Equipment provided by one Party to another shall be developed and maintained by the Project Officers, and approved by the SC for each Project.
2. The receiving Party shall maintain any such Project Equipment in good order, repair, and operable condition and return the items in as good a condition as received, normal wear and tear excepted. The receiving Party shall pay the cost of damage (other than normal wear and tear) to or loss of Project Equipment.
3. All Project Equipment that is transferred shall be used by the receiving Party only for the purposes set out in the relevant Project Annex. In addition, in accordance with ARTICLE XII (Third Party Sales and Transfers), Project Equipment will not be re-transferred to a Third Party without the prior written consent of the providing Party.
4. Project Equipment transferred to one Party under this Agreement shall be returned to the providing Party prior to the termination or expiration of this Agreement.

ARTICLE VIII
DISCLOSURE AND USE OF PROJECT INFORMATION

1. General

Both Parties recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out each Project. The Parties intend to acquire sufficient Project Information and rights to enable collaboration on basic research, exploratory and advanced development technologies whose maturation may lead to the development of technologically superior environmental protection systems. The nature and amount of Project Information to be acquired shall be consistent with the objectives stated in ARTICLE II (Objectives) and the Project Annexes to this Agreement. All export-controlled information furnished by the U.S. DoD, its Contractors, and their subcontractors pursuant to this Agreement shall be subject to the requirements of the Arms Export Control Act, the International Traffic in Arms Regulations, the Export Administration Act, and the Export Administration Regulations.

2. Project Foreground information

- a. Disclosure: Project Foreground Information shall be made available to both Parties in accordance with the provisions of this Agreement.
- b. Use: Each Party may use this Project Foreground Information without charge for its Governmental Purposes; however, if a Party intends to use the Project Foreground Information in a sale or other transfer to a Third Party, the provisions of ARTICLE XII (Third Party Sales and Transfers) of this Agreement shall apply.

3. Project Background Information

- a. Disclosure: Each Party, upon request, shall make available to the other Party any relevant information in its possession not generated in the performance of the Project, provided that:
 - (1) The Project Background Information is necessary to or useful in the Project. The Party in possession of the information shall determine whether it is "necessary to" or "useful in" the Project;
 - (2) The Project Background Information may be made available without incurring liability to holders of proprietary rights; and
 - (3) Disclosure is consistent with national disclosure policies and regulations of the furnishing Party.
- b. Use: Project Background Information furnished by a Party may be used by the other Party for Project purposes only.

4. Proprietary Project Information

- a. All proprietary information shall be identified and marked.
- b. The provisions of the Agreement to Facilitate Interchange of Patent Rights and Technical Information for Defense Purposes, dated October 4, 1962 between the U.S. and Sweden shall apply to proprietary Project Information related to this Agreement.

5. Patents

- a. Where a Party has or can secure the right to file a patent application with regard to a Project Invention, that Party shall consult with the other Party regarding the filing of such patent application. The Party having such rights shall in other countries, file, cause to be filed, or provide the other Party with the opportunity to file on behalf of the Party holding such rights, or its Contractors, as appropriate, patent applications covering any such Project Invention. If a Party having filed or caused to be filed a patent application decides to stop prosecution of the application, that Party shall notify the other Party of that decision and permit the other Party to continue the prosecution.
- b. Each Party shall be furnished with copies of patent applications filed and patents granted with regard to Project Inventions.
- c. Each Party shall acquire a non-exclusive, irrevocable, royalty free license to practice or have practiced, by or on behalf of the Party, throughout the world for Governmental Purposes, any Project Invention.
- d. Patent applications which contain classified information, to be filed under this Agreement, shall be protected and safeguarded in accordance with the Agreement Approving the Procedures for Reciprocal Filing of Patent Applications in the US and Sweden, dated November 17, 1964. Insofar as possible, each Party shall extend to the other Party any relief from patent infringement claims arising in the course of work performed under the Project that it may be able to claim on its own behalf. The Parties shall, in accordance with their national laws and practices, give their authorization and consent for all use and manufacture in the course of work performed under the Project of any invention covered by a patent issued by their respective countries. Each Party is responsible for handling all patent infringement claims made in its territory and to inform the other Party of such claims and to consult with the other Party during the handling and prior to the settlement of such claims.

ARTICLE IX
CONTROLLED INFORMATION

1. Except as otherwise provided in this Agreement or authorized in writing by the originating Party, Controlled Information provided or generated pursuant to this Agreement shall be controlled as follows:
 - a. Such information shall be used only for purposes authorized for use of Project Information as specified in ARTICLE VIII (Disclosure and Use of Project Information).
 - b. Access to such information shall be limited to personnel whose access is necessary for the permitted use under subparagraph (a) above, and subject to the provisions of ARTICLE XII (Third Party Sales and Transfers).
 - c. Each Party shall take all lawful steps, which may include national classification, to keep such information free from further disclosure (including requests under any legislative provisions) except as provided in subparagraph (b) above, unless the originating Party consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the information may have to be disclosed to a Third Party or a judicial body under any legislative provision, immediate notification shall be given to the originating Party.
2. To assist in providing the appropriate controls, the originating Party will ensure that Controlled Unclassified Information is appropriately marked to ensure its "in confidence" nature. U.S. export-controlled information shall be marked as "International Traffic in Arms Regulations (ITAR)-Controlled" or "Export Administration Regulations-Controlled." Sweden does not have Controlled Unclassified Information. The Parties shall decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information. The appropriate markings for all Controlled Unclassified Information shall be reflected in the Project Security Instruction.
3. Controlled Information provided or generated pursuant to this Agreement shall be stored, handled and transmitted in a manner that ensures control as provided for in Paragraphs 1 and 2, above. Prior to authorizing the release of Controlled Information to Contractors, the Parties shall ensure the Contractors are legally bound to control such information in accordance with the provisions of this Article.
4. The provisions of the Agreement between the Government of the United States of America and the Government of Sweden on Interchange of Patent Rights and Technical Information for Defense Purposes of October 4, 1962 shall also apply to any Controlled Information of a proprietary nature to this Agreement.

ARTICLE X
VISITS TO ESTABLISHMENTS

1. Each Party shall permit visits to its Government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Party or by employees of the other Party's Contractors, provided that the visit is authorized by both Parties and the employees have appropriate security clearances and a need-to-know.
2. All visiting personnel shall be required to comply with security regulations of the host Party. Any information disclosed or made available to visitors shall be treated as if supplied to the Party sponsoring the visiting personnel, and shall be subject to the provisions of this Agreement.
3. Requests for visits by personnel of one party to a facility of the other Party shall be coordinated through official channels, and shall conform with the established visit procedures of the host country. Requests for visits shall cite this Agreement and the appropriate Project as the basis for the request.
4. Lists of personnel of each Party required to visit, on a continuing basis, facilities of the other Party shall be submitted through official channels in accordance with Recurring International Visit Procedures.

ARTICLE XI

SECURITY

It is the intent of the Parties that the Program carried out under this Agreement shall be conducted at the unclassified level. No classified information shall be provided or generated under this Agreement.

ARTICLE XII

THIRD PARTY SALES AND TRANSFERS

1. The DoD shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information to Third Parties when such Project Foreground Information is generated solely by the DoD in performance of its work allocation under ARTICLE III (Scope of Work) and does not include any Project Background Information of the other Party.
2. The Swedish Armed Forces shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information to Third Parties when such Information is generated solely by the Swedish Armed Forces in performance of its work allocation under ARTICLE III (Scope of Work), and does not include any Project Background Information of the other Party.
3. Except to the extent permitted in paragraphs 1 and 2 above, the Parties shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information or Project Equipment to any Third Party, or permit such transfer, without the prior written consent of the other Party's government. Furthermore, neither Party shall permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the other Party's government. Such consent will not be given unless the government of the intended recipient agrees in writing with the Parties that it will:
 - a. *Not retransfer, or permit the further retransfer of, any equipment or information provided; and,*
 - b. *Use, or permit the use of, the equipment or information provided for the purposes specified by the Parties.*
4. In the event questions arise regarding the origin of Project Foreground Information that a Party intends to sell, transfer title to, disclose, or transfer to a Third Party, the matter shall be brought to the immediate attention of the other Party's PO. If necessary, the matter shall be referred to the SC for resolution prior to any sale or other transfer of such Project Foreground Information to a Third Party.
5. The Parties shall not sell, transfer title to, disclose, or transfer possession of Project Background Information or Project Equipment provided by another Party to any Third Party without the prior written consent of the Party which provided such equipment or information. The providing Party shall be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

ARTICLE XIII

LIABILITY

1. *Claims arising out of activities taking place under this agreement shall be dealt with as follows:*
 - a. The Parties waive all their claims, other than contractual claims, against each other, and against the military members and civilian employees of each other for damage, loss or destruction of property owned or used by them, if such damage, loss or destruction:
 - (1) was caused by a military member or civilian employee in the performance of official duties, or
 - (2) arose from the use of any vehicle, vessel or aircraft owned by the other Party and used by it, provided that the vehicle, vessel, or aircraft causing the damage, loss or destruction was being used for official purposes, or that the damage, loss or destruction was caused to property being so used.
 - b. The Parties waive all their claims against each other and against the other's military members and civilian employees for injury or death suffered by any of its military members or civilian employees while such member or employee was engaged in the performance of official duties.
 - c. Nothing herein shall be construed as waiving the claims, or suits of individual military members of the respective Departments of Defense, its civilian employees, or third parties that might exist under applicable law.
 - d. Claims, other than contractual claims, not covered by paragraphs a and b, shall be dealt with by each Party in accordance with its national laws. Each Party shall pay just and reasonable compensation in settlement of meritorious claims for damage, loss, personal injury or death caused by acts or omissions of its military members or civilian employees when acting in the performance of official duties.
2. Claims arising under or related to any Contract awarded pursuant to ARTICLE VI (Contractual Provisions) shall be resolved in accordance with the provisions of the Contract.

ARTICLE XIV

CUSTOMS DUTIES, TAXES AND SIMILAR CHARGES

1. Customs duties, import and export taxes and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under each Project.
2. Each Party shall use its best efforts to administer customs duties, import and export taxes, and similar charges in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs.

ARTICLE XV
SETTLEMENT OF DISPUTES

Disagreements among the Parties arising under or relating to this Agreement shall be resolved only by consultation between the Parties and shall not be referred to an individual, to an international tribunal, or to any other forum for settlement.

ARTICLE XVI

LANGUAGE

1. The working language for implementing this Agreement shall be the English language.
2. All data and information generated under this Agreement and its implementing Contracts and provided by one Party to the other will normally be furnished in the original language of the source material.

ARTICLE XVII
GENERAL PROVISIONS

1. All activities of the Parties under this Agreement and its Project Annexes shall be carried out in accordance with their national laws and regulations, including their export control laws and regulations. The obligations of the Parties will be subject to the availability of funds for such purposes.
2. In the event of a conflict between an Article of this Agreement and any Project Annex to this Agreement, the Article shall govern.

ARTICLE XVIII

AMENDMENT, TERMINATION, ENTRY INTO FORCE AND DURATION

1. This Agreement may be amended by the written agreement of the Parties. Project Annexes to this Agreement may be established by written agreement of the Parties.
2. This Agreement may be terminated at any time upon the written agreement of the Parties. In the event that the Parties agree to terminate this Agreement, the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms.
3. Any Party may terminate this Agreement or any Project Annex upon 60 days written notification to the other Party. Such notice with regard to a Project Annex shall be the subject of immediate consultation by the Steering Committee to decide upon the appropriate course of action. In the event of such termination, the following rules apply:
 - a. The terminating Party shall continue participation, financial or otherwise, until the effective date of termination.
 - b. Each Party shall pay the costs it incurs as a result of the termination.
 - c. All Project Information and rights therein received under the provisions of this Agreement prior to the termination shall be retained by the Parties, subject to the provisions of this Agreement.
4. Termination of this Agreement shall terminate its Annexes. Project Annexes entered into under the previous Agreement on Cooperation on Environmental Protection in Defense Matters dated 1995 remain in force under this Agreement.
5. The respective rights and responsibilities of the Parties regarding ARTICLE VII (Project Equipment), ARTICLE VIII (Disclosure and Use of Project Information), ARTICLE IX (Controlled Information), ARTICLE XI (Security), ARTICLE XII (Third Party Sales and Transfers), and ARTICLE XIII (Liability), shall continue notwithstanding termination or expiration of this Agreement or its Project Annexes.
6. This Agreement, which consists of the Preamble and 18 Articles, shall enter into force from the date of the last signature and shall remain in force for ten years. The Parties agree that this Agreement shall be automatically extended for additional ten (10) year terms, unless either Party notifies the other in writing one (1) year in advance of its intention to terminate the Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement.

DONE in duplicate, in the English language.

FOR THE
SWEDISH ARMED FORCES

FOR THE
DEPARTMENT OF DEFENSE
OF THE
UNITED STATES OF AMERICA

Håkan Syren
(Signature)

Curtis Bowling
(Signature)

Håkan Syren
(Name)

Curtis Bowling
(Name)

Supreme Commander
(Title)

Director, Environmental Readiness
and Safety
(Title)

Stockholm
(Location)

Washington, DC
(Location)

23/11/05
(Date)

6/12/05
(Date)